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## Finance Report – Month Ending 31 October 2022

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This accounts commentary highlights the most significant variances from forecast in the actual financial results to the month ending 31 October 2022 and the forecast outturn for the year 2022-23. Periodic budget reviews are undertaken and the forecasts updated accordingly to reflect.

### Revenue Income & Expenditure Report

#### 1. Revenue Income

Grant of £1,089,000 has been received from the GLA for the year. In addition further funding of £22,000 has been provided for an increase to national insurance contributions and a 3.2% pay award awarded to staff. Income has been profiled and allocated monthly in the accounts.

The forecast income previously assumed £53,000 surplus accumulated funds at 31 March 2022 may need to be repaid to the GLA. Following recent discussions with GLA colleagues this is now assumed unlikely so the forecast has been updated to assume it will not be recovered. An additional £53,000 has been added to project reserves as a result.

Forecast income from Transport Focus for complaints handling has been reduced to £10,500. It has been agreed with Transport Focus that to address an imbalance in the Collaboration agreement in favour of London TravelWatch, Transport Focus will stop paying the Casework Retainer with effect from 1 October 2022.

#### 2. Revenue Expenditure

##### Staff costs:

Staff costs to date are in line with forecast. The full year forecast is lower than budget as the budget assumed a number of vacancies would be filled from 1 April but the full year forecast has been updated to reflect the actual start dates which were later than originally assumed.

Temporary staff costs include a provision for staff requirements in relation to Ticket Office closures. It is uncertain if this provision will be utilised this financial year and if not it may be required next year. As such this may need to move into reserves at year end.

## **External audit, insurance, HR consultancy, legal costs & bank charges**

The forecast outturn is higher than budget as additional HR consultancy around Inclusive recruitment and Employment practices and contracts has been provided in the year.

## **IT support, software and office equipment costs**

The forecast outturn is higher than forecast due to additional IT equipment purchased in the year.

## **Recruitment costs**

Costs to date are in line with forecast. The forecast outturn is higher than budget as the forecast has been increased to reflect the anticipated costs of the CEO recruitment campaign.

## **Other External Support**

A forecast of £10,000 has been provided for potential fees payable to Transport Focus for excess costs in relation to the Collaboration agreement. The excess costs are mainly as a result of increased call centre volumes for London TravelWatch in relation to Eurostar. In addition, the casework team was a team member short during the summer months. This meant that in the first six months of this year, London TravelWatch casework team fell short of the number of hours allocated to Transport Focus casework. The situation will continue to be monitored over the coming months and if these funds are not needed, they will be released.

## **Campaigns and Project Costs:**

Provisional forecasts of £29,000 for the Personal Security project, £38,000 for the Bus campaign, £58,000 for Digital Inclusion and £10,000 for research on the Impact of South Eastern Timetable Changes have been assigned.

£53,000 has been added to Project reserves as we are now not anticipating the GLA will recover surplus funds from 2021-22. Net costs of £114,000 have been assigned from the Campaign and Project reserves leaving remaining discretionary funds of £36,000 available.

Plans are currently being scoped to utilise the remaining £36,000 project reserves.

All other costs are in line with forecast and budget.

## **Funding to/from reserves and reserves at the year-end**

The opening reserve balance at 1 April was £103,000. £53,000 of these reserves will be utilised to fund spending in the year leaving a closing forecast reserves at the agreed balance of £50,000.

### **3. Cash Flow**

The bank balance at 31 October was £643,000.

### **4. Recommendation**

That the Board consider the report and review the management accounts.